



**CITY OF GLENDALE, CALIFORNIA
REPORT TO THE CITY COUNCIL**

AGENDA ITEM

Report: Professional Services Agreement with Tyler Technologies, Inc. for the purchase, implementation, software licensing and maintenance for the EnerGov Land Management System; Amendment with SDI Presence, LLC, for consulting services

1. Motion authorizing the Interim City Manager, or designee, to execute an agreement with Tyler Technologies, Inc., in an amount not to exceed \$2,956,930 plus a contingency of up to \$160,930 for the purchase, implementation, software licensing and maintenance of EnerGov, a Land Management software solution, for a period of five years; and to authorize the Purchasing Administrator to issue purchase orders for the continued maintenance, support, updates, upgrades, and licensing of the software for the life cycle of the product, as long as funds are appropriated in the ISD Application Fund for such purpose.
2. Motion authorizing the Interim City Manager, or designee, to amend the City's existing Professional Service Agreement with SDI Presence, LLC in the amount not to exceed \$402,480 plus a contingency of up to \$80,496, to expand the scope of work to include project management and consulting services throughout the implementation of the Land Management System.

COUNCIL ACTION

Item Type: Action Item

Approved for January 26, 2021 **Calendar**

ADMINISTRATIVE ACTION

Submitted by:

Jason Bradford, Chief Information Officer

Philip Lanzafame, Director of Community Development

Prepared by:

Irma Isayan, IT Projects Manager

Hagop Hovsepian, Assistant Chief Information Officer

Reviewed by:

Michele Flynn, Director of Finance
Michael J. Garcia, City Attorney

Approved by:

Roubik R. Golanian, P.E., Interim City Manager

RECOMMENDATION

It is recommended that the City Council:

1. Motion authorizing the Interim City Manager, or designee, to execute an agreement with Tyler Technologies, Inc., in an amount not to exceed \$2,956,930 plus a contingency of up to \$160,930 for the purchase, implementation, software licensing and maintenance of EnerGov, a Land Management software solution, for a period of five years; and to authorize the Purchasing Administrator to issue purchase orders for the continued maintenance, support, updates, upgrades, and licensing of the software for the life cycle of the product, as long as funds are appropriated in the ISD Application Fund for such purpose.
2. Authorize the Interim City Manager, or designee, to amend the City's existing Professional Service Agreement with SDI Presence, LLC in the amount not to exceed \$402,480 plus a contingency of up to \$80,496, to expand the scope of work to include project management and consulting services throughout the implementation of the Land Management System.

BACKGROUND/ANALYSIS

In 2007, the City implemented a Land Management System (LMS), known as City Services Interface (CSI), to help track and manage all of the City's land use activities. Common functions of Land Management Systems include but are not limited to plan check, permitting, licensing, inspections, and code enforcement. The system acts as a central repository for land use information that is shared by various City departments and aims to streamline the business processes across the organization while reducing redundancy and errors. To date, the CSI system has expanded as a citywide business solution for several City divisions including Building and Safety, Neighborhood Services, Planning, and Fire.

Since the implementation of CSI fourteen years ago, the City's needs, goals and infrastructure have evolved. While CSI has become a critical tool for daily operations of various departments involved in land management services, the current system has become outdated. Long term support of this system is no longer viable as it suffers from inefficient performance, periodic system crashes, and is difficult to maintain and support. As business processes and requirements have changed, the City has relied on in-house and vendor developed customizations to meet the City's needs, which has made the system even more difficult to maintain. In addition, certain functionalities necessary to comply with state regulatory requirements, such as use of electronic signature in lieu of a wet signature by an applicant, are being performed manually with non-standardized business tools and is generally inefficient.

Lastly, the technology landscape is vastly different today than it was fourteen years ago. Simply put the City has more options available today than were available during the last implementation over a decade ago. Today's technology-savvy residents, business owners and developers expect to interact with the City in the same way they do with

other businesses – by using an internet connected mobile device to conduct transactions online at any time, day or night.

Given the issues noted with our current system, the Council authorized Information Services and Community Development to engage the consulting firm of SDI Presence LLC to perform the following services:

- Conduct a needs assessment related to functional requirements of an upgrade or replacement of the City's Land Management System
- Develop the specifications for a new LMS
- Assist with the creation of a Request for Proposals (RFP) and to advise in the selection and contract negotiation process

SDI conducted 17 functional workshops and follow-up interviews to review existing systems and business processes and to identify and document the City's requirements. The key users interviewed during the workshops included staff from Community Development, Public Works, Fire, GWP, Finance, Audit, Management Services, CSP, PD, ISD and Treasury departments. The workshops were designed to solicit feedback from staff regarding the shortfalls of the current system, determine future requirements and improvement opportunities to the City's land management business processes related to permits, licenses, inspections, plan review, online services and code enforcement.

Based on SDI's work and their experience, they recommended the City replace the existing LMS with a commercial off-the-shelf system through a formal procurement and well-planned implementation. A formal RFP process helps ensure the City is receiving the best value and leveraging current technology offerings. The LMS needs assessment recommended that the replacement software includes the following key requirements:

- Ability for residents, contractors and applicants to search for an address, apply for a permit/license, request an inspection, pay invoices, submit electronic plans and track records online in real-time
- Provide online tools for maintaining effective communication with residents, contractors and applicants to reduce the need for a phone call or office visit
- Ability to provide permitting and building information reports, interactive maps, visualizations of construction activities occurring in the City
- Provide accurate and thorough key performance indicators to measure City's Strategic Initiatives, Operations, Transparency and Responsiveness
- Fully integrated web based system where data is only entered one-time and is accessible to all the departments that use the system

- Provide user-defined business rules/workflows, tables, fields, screens, and reports
- Ability to modify setup/configuration and expand online land management services without the assistance of the software provider
- Ability to fully integrate with the City’s Financial and Geographic Information Systems
- Provide robust audit, transaction logging capabilities and scalability

In September 2019 the Council authorized staff to issue a Request for Proposal (RFP) for a new Land Management System (LMS) and related implementation services. The RFP was directly sent to ten companies that provide LMS software as well as posting the RFP on the City’s website. The City received responses from seven firms listed below:

<u>Vendor</u>	<u>Proposed Software</u>
Citizenserve	Citizenserve
CityView	CityView 2019.11
EdgeSoft	eLMS 5.0
TruePoint	Accela
Tyler	EnerGov
ViewPoint	ViewPoint Cloud
Vision 33	Amanda Solution

The proposals were screened via an administrative review process to ensure they were responsive and met the RFP’s minimum requirements. As a result, two of the proposals were removed from consideration due to lack of credible references and two proposals were removed due to inadequate responses. The three remaining proposals, Tyler Technologies, TruePoint, and EdgeSoft were evaluated and scored based on their ability to meet and demonstrate the requirements as defined in the RFP.

To score the proposals, an RFP evaluation panel was formed and comprised of employees from Community Development, Public Works, Fire, GWP and Information Services. Each member carefully reviewed and scored the remaining proposals on the following criteria: functionality, experience, technology, references and cost. The results of the proposal scoring were as follows:

	<u>Max Points</u>	<u>TruePoint Accela</u>	<u>Tyler EnerGov</u>	<u>EdgeSoft eLMS 5.0</u>
Functionality	30	30	30	27
Experience	25	25	25	20
Technology	15	15	15	8
References	15	15	15	14
Cost	<u>15</u>	<u>10</u>	<u>5</u>	<u>15</u>
Total	<u>100</u>	<u>95</u>	<u>90</u>	<u>84</u>

Based on this evaluation, the top two scoring firms, Tyler EnerGov and TruePoint Accela, were selected to participate in the next phase of the evaluation which was the Proof of Concept demonstrations. It should be noted that the City's current provider, EdgeSoft, simply did not adequately demonstrate they had a viable solution that would meet the City's requirements and therefore was not invited to participate in the next round.

For the Proof of Concept, Tyler EnerGov and TruePoint Accela were invited to demonstrate their product over the course of 2 days each. All demonstrations were conducted via remote teleconference sessions hosted by the vendors due to ongoing health crisis related to COVID-19. Given the importance of this decision for the City's operations and the significant impact on customer service to the community, subject matter experts and representatives from all appropriate City departments were invited to participate in the vendor Proof of Concept demonstrations.

During these sessions, each vendor used a detailed script that was provided by the City. The script included specific tasks for each vendor to demonstrate that their system meets the City's needs. The script included tasks for an in-depth demonstration in the following areas:

- Permits, Plan Check, Licensing
- Citizen Online Services
- Online Electronic Plan Submittal and Inspection Requests
- Code Enforcement
- Mobile Inspections
- Maintenance and Support
- Audit, Compliance and Security

The final step in the City's due diligence was to contact other agencies that have either implemented or are in the process of implementing either EnerGov or Accela. A reference check from an existing client was needed to verify the software worked in a live City environment. As such, the following agencies were contacted:

EnerGov Clients:

Los Angeles County
Pasadena
San Mateo
Temecula
Encinitas
El Segundo
La Cañada

Accela Clients:

San Diego County
Santa Monica
Torrance
Huntington Beach
Ontario
Palo Alto
Ft Lauderdale

Multiple approaches were used that included internet research, teleconferencing, and live demonstrations of each product. Overall, the reference checks provided valuable feedback and confirmed our understanding of the software capabilities that was demonstrated by each vendor.

Conclusion

Based on the RFP responses, proof of capabilities, reference checks and live system demonstrations by other agencies, the evaluation team concluded that **Tyler EnerGov** best meets the functional needs of the City and offered the best combination of value, service, and mobile/online technologies. The factors that led to this conclusion included the following:

- Community friendly web portals for online services and plan submittals
- Effective communication tools with citizens and contractors
- Comprehensive modern solution to streamline processes and centralize actions in a single system providing better access to financial information
- Intuitive user interfaces and easy navigation
- Complete Fire inspections and enforcement solutions
- Full automation of critical processes and communication including alerts, emails, and workflows
- Over 50 Tyler EnerGov clients in the state of California, and over 600 nationally

The City is familiar with Tyler Technologies as we implemented Tyler's Munis Financials/HR/Payroll suite in 2017 and 2019 respectively via a RFP process. The company, founded in 1966 and headquartered in Plano, Texas, has a wide range of product offerings specifically tailored for the public sector with a focus on local governments, school districts and law enforcement. Tyler's EnerGov system is widely used by other cities in California, including Los Angeles County, Pasadena, La Canada, Temecula, Arcadia, Victorville, and Encinitas. It should also be noted that Tyler continually works to improve their software and continues to invest millions in research and development to further enhance their product. In addition, they maintain an open dialogue with their clients and is indicative of a collaborative partnership. In fact, Glendale is one of the few cities that meets regularly with Tyler's VP of Product Development.

The software will be implemented in approximately 15 to 18 months. Due to the interconnected nature of the modules all project components will be configured, tested and go live at the same time. Tyler's proposal included a sample project plan and the actual project plan will be provided following contract execution upon obtaining further information from the City. A summary project plan is provided below.

- Stage 1: Kick-Off (February 2021)
- Stage 2: Analyze and Define Current/Future Business Process
- Stage 3: Configuration, Delivery and Validation
- Stage 4: User Acceptance Testing and Training
- Stage 5: Go-Live (Spring 2022)
- Stage 6: Phase/Project Closure

In conclusion, the result of the Request for Proposal process has made it clear that EnerGov will offer various efficiencies to the City’s Land Management processes. There are a lot of benefits from a modern robust system and a software company that has a track record of ongoing research and development to improve its products. It will provide all of the functionality we currently use plus additional functionalities that will ultimately make it easier for our residents, businesses and developers to conduct land use transactions.

FISCAL IMPACT

In anticipation of this project, approximately \$3.7 million has been set aside over the last several budget years and is appropriated in the ISD Application Fund, Project 52129, Account# 43110-6040-ISD-0020. Based on the negotiated cost, funding is sufficient for the entire implementation, including project management, and annual maintenance for the first five years of the project and therefore no additional appropriation is needed. The funds for continued maintenance, support, updates, upgrades and licensing of the software for the life cycle of the product will be annually budgeted within the ISD Applications Fund and approved by the City Council as part of the annual citywide budget process. A summary of the project costs is provided below.

Project Cost Summary

Tyler EnerGov	
Professional Services.....	\$ 804,650
5 years Maintenance (\$430k/yr).....	<u>2,152,280</u>
Tyler EnerGov Contract.....	\$ 2,956,930
Tyler Contract Contingency.....	160,930
SDI Presence Project Management.....	402,480
Contract Contingency.....	80,496
Other Project Costs	
Blue Beam License (5 yrs)	24,950
Hardware Upgrades	62,000
Total Project Cost.....	<u>\$ 3,687,786</u>

It should be noted the City aggressively negotiated the contract pricing with the vendor and was able to secure a 45% reduction in the original pricing submitted in the Request for Proposal. The other item of note, is while the value of the Tyler contract for the first five years is approximately \$3 million, the net cost will be substantially lower as there will be cost saving from migrating off the current system. The City conservatively estimates the cost to upgrade the current system would be \$1.8 million, meaning the net cost of the EnerGov contract is approximately \$1.2 million, or approximately \$240,000 per year for the first five years.

Lastly, we are also requesting a contract amendment, in the amount of \$402,480 plus a contingency of up to \$80,496, to the existing Professional Services Agreement with SDI Presence, LLC for project management. SDI has many years of combined project management experience implementing Land Management Systems. They have been an important partner and resource throughout the assessment, evaluation and selection process, and we believe they provide the needed critical expertise that will help ensure a successful implementation.

ALTERNATIVES

Alternative 1: The City Council may authorize the Interim City Manager, or designee, to execute an agreement with Tyler Technologies, Inc., in an amount not to exceed \$2,956,930 plus a contingency of up to \$160,930 for the purchase, implementation, software licensing and maintenance of EnerGov, a Land Management software solution, for a period of five years; and to authorize the Purchasing Administrator to issue purchase orders for the continued maintenance, support, updates, upgrades, and licensing of the software for the life cycle of the product, as long as funds are appropriated in the ISD Application Fund for such purpose.

The City Council may also authorize the Interim City Manager, or designee, to amend the City's existing Professional Service Agreement with SDI Presence, LLC in the amount not to exceed \$402,480 plus a contingency of up to \$80,496, to expand the scope of work to include project management and consulting services throughout the implementation of the Land Management System.

Alternative 2: The City Council may direct staff to continue to use and possibly upgrade the current Land Management System, CSI. While technically this is an alternative, it is not without significant risk including product viability and long-term support.

Alternative 3: The City Council may direct staff to re-issue the Request for Proposal. While technically an alternative, it is unlikely the process would yield dramatically different results. Given the amount of due diligence and research City staff has performed thus far, we have gained a deep understanding of the LMS marketplace.

CAMPAIGN DISCLOSURE

In accordance with the City Campaign Finance Ordinance No. 5744, the following are the names and business addresses of the members of the board of directors, the chairperson, CEO, COO, CFO, Subcontractors and any person or entity with more than 10% interest in the company proposed for contract in this Agenda Item Report.

Officers of Tyler Technologies, Inc.:

Full Name	Title	Business Address	City	State	Zip
John S. Marr Jr.	Executive Chairman of the Board	One Tyler Dr.	Yarmouth	ME	04096
H. Lynn Moore Jr.	President and Chief Executive Officer	One Tyler Dr.	Yarmouth	ME	04096
Brian K. Miller	Executive Vice President and CFO	One Tyler Dr.	Yarmouth	ME	04096
Dustin R. Womble	Director	One Tyler Dr.	Yarmouth	ME	04096
Donald R. Brattain	Director	One Tyler Dr.	Yarmouth	ME	04096
Glenn A. Carter	Director	One Tyler Dr.	Yarmouth	ME	04096
Brenda A. Cline	Director	One Tyler Dr.	Yarmouth	ME	04096
J. Luther King Jr.	Director	One Tyler Dr.	Yarmouth	ME	04096
Daniel M. Pope	Director	One Tyler Dr.	Yarmouth	ME	04096
Mary Landrieu	Director	One Tyler Dr.	Yarmouth	ME	04096
The Vanguard Group, Inc.	Holder of more than 10% of Shares	100 Vanguard Blvd	Malvern	PA	19355

Officers of SDI Presence LLC:

Full Name	Title	Business Address	City	State	Zip
David Gupta	CEO	200 E Randolph St., Suite 3550	Chicago	IL	60601
Jack Hartman	President	200 E Randolph St., Suite 3550	Chicago	IL	60601
Sharee Wolff	CFO	200 E Randolph St., Suite 3550	Chicago	IL	60601

EXHIBIT(S)

None